

## **complaint**

Mr K complains that Premium Credit Limited (PCL) wrongly added an insurance premium payment to his credit agreement. My references to PCL include its agents.

## **background**

Mr K had an insurance policy through a broker. PCL provided the credit for the item Mr K insured. Some payments were added to and then removed from the credit agreement, so were resolved before Mr K complained to us. Mr K complains about the outstanding matter; that PCL wrongly added an additional premium of £60.22 to his credit agreement, failed to quickly remove it from the account and didn't pay him enough compensation.

PCL said in January 2019 it received instruction from the broker to apply an additional premium of £60.22 to Mr K's credit agreement so he should complain to the broker. But PCL accepted that in March 2019 it failed to follow the broker's instruction to remove the £60.22 from the agreement which meant Mr K made a higher credit payment for March. PCL offered Mr K £25 compensation for his inconvenience caused by it not removing the £60.22 earlier.

Mr K complained to us about the broker. One of our investigators thought PCL, rather than the broker, was responsible for the £60.22 being wrongly added to the agreement. On Mr K's complaint about PCL another of our investigators thought it more likely than not that PCL was responsible for the error and it should increase the compensation to £75.

Mr K accepted our investigator's recommendation of £75, PCL didn't and wanted an ombudsman's decision. It said the request to add the £60.22 had been submitted to it by the broker's external system which PCL couldn't access.

## **my provisional decision**

I made a provisional decision that I was intending to uphold this complaint for different reasons than given by our investigator. I said:

'PCL and the broker don't dispute the £60.22 was wrongly added to Mr K's agreement, but they say the other is responsible.

I've read the evidence provided by PCL and the broker. PCL provided a transaction report showing the transaction of an additional premium at £60.22 being made on 9 January 2019 at 10:03:11. The sender ID was recorded as the broker. However the report isn't evidence of who gave instruction to process the transaction. The broker says it didn't give instructions to PCL for the transaction and has asked PCL to provide evidence of instructions, which it's failed to provide.

Our investigator's opinion letters detailed her investigation into the broker's audit trail for the insurance policy and other internal records including the broker's transaction record. I've also seen PCL and the broker's points about how the sender ID changes depending on how the instruction is sent. I won't repeat all the details but in summary there are no records of the transaction for £60.22 in the broker's internal records. And if the transaction on 9 January 2019 had been carried out directly by the broker the sender ID should state the ID of the individual who carried out the instruction, which the sender ID on PCL's record doesn't. All that evidence suggests it's more likely than not that PCL, not the broker, is responsible for the £60.22 being added to Mr K's agreement.

However, PCL says the way the additional premium has been submitted to it is only processed by the broker's web service. PCL says it can't access the broker's external web service, log in or submit business on the broker's behalf. That evidence suggests it's more likely than not that the broker, not PCL, is responsible for the £60.22 being added to Mr K's agreement.

On the evidence I've seen it's not clear to me whether PCL or the broker is responsible for the £60.22 being added to Mr K's credit agreement.

But the important point is Mr K's distress and inconvenience arose from PCL not quickly removing the £60.22 when instructed to which resulted in him having to make a higher payment for March 2019. PCL has accepted it was at fault in not removing the £60.22 when instructed to by the broker. I understand that the £60.22 was removed shortly after March 2019.

PCL accepts Mr K was inconvenienced by its error but I don't think PCL's offer of £25 was enough. I think £75 compensation in total (including the £25 it's already paid) is a fair amount so it must pay Mr K additional £50 compensation'.

### **responses to my provisional decision**

PCL and Mr K accepted my provisional decision.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As PCL and Mr K accepted my provisional decision I've no reason to change my mind. For the reasons I've given in my provisional findings I uphold this complaint. PCL must pay Mr K £75 compensation in total (including the £25 it's already paid) for his inconvenience due to its error that I've detailed above.

### **my final decision**

I uphold this complaint. I require Premium Credit Limited to pay Mr K £50 compensation in addition to the £25 it's already paid for his distress and inconvenience, as it now agrees.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 3 May 2020.

Nicola Sisk  
**ombudsman**